

STATE OF SOUTH CAROLINA

Request of South Carolina Electric & Gas Company for an order authorizing the withdrawal of certain funds from its Storm Damage Reserve Fund to offset those costs incurred in connection with its tree trimming and vegetation management programs for its electric transmission and distribution systems

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2008 - 416 - E

(Please type or print)

Submitted by: K. Chad BurgessSC Bar Number: 69456Address: SCANA Corp.Telephone: 803-217-8141220 Operation Way MC C222Fax: 803-217-7931Cayce, SC 29033-3701

Other: _____

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report	



K. Chad Burgess
Assistant General Counsel

chad.burgess@scana.com

December 1, 2009

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Petition of South Carolina Electric & Gas Company for an order authorizing the withdrawal of certain funds from its Storm Damage Reserve Fund to offset those costs incurred in connection with its tree trimming and vegetation management programs for its electric transmission and distribution systems
Docket No. 2008-416-E

Dear Mr. Terreni:

By Order No. 2009-87, dated February 26, 2009, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or "Company") to withdraw certain amounts from its Storm Damage Reserve Fund to offset incremental expenses incurred in connection with the Company's distribution and transmission tree trimming and vegetation management programs. As part of its Order, the Commission required SCE&G to file a mid-year report no later than August 15, 2009, concerning its tree trimming and vegetation management programs and then update its mid-year report by December 1, 2009. In compliance with Order No. 2009-87, please find enclosed for filing SCE&G's updated mid-year report.

By copy of this letter, we are serving counsel for the South Carolina Office of Regulatory Staff with a copy of the updated mid-year report and enclose a certificate of service to that effect.

If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,

K. Chad Burgess

KCB/kms

Enclosure

cc: John W. Flitter
Shannon Bowyer Hudson, Esquire
(both via hand delivery w/enclosure)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-416-E

IN RE:

Petition of South Carolina Electric & Gas)
for an order authorizing the withdrawal of)
certain funds from its Storm Damage)
reserve Fund to offset those costs incurred)
in connection with its tree trimming and)
vegetation management programs for its)
electric transmission and distribution)
systems)
_____)

**CERTIFICATE
OF SERVICE**

This is the certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Updated Mid-Year Report** via hand delivery to the person named below at the address set forth:

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201



Karen M. Scruggs

Columbia, South Carolina
This 1st day of December 2009

**Update to Mid-Year Report to the
Public Service Commission of South Carolina
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-87**

I. Background

On February 26, 2009, the Public Service Commission of South Carolina (“Commission”) issued Commission Order No. 2009-87 (“Order”) authorizing South Carolina Electric & Gas Company (“SCE&G” or “Company”) to withdraw up to a maximum of \$9,000,000 during the 2008-2009 time period from its Storm Damage Reserve Fund to offset incremental costs, defined as annual costs in excess of the level currently provided for in base rates (approximately \$13.2 million), incurred in connection with the Company’s distribution and transmission tree trimming and vegetation management programs. In its Order, the Commission required SCE&G to file a mid-year report no later than August 15, 2009 showing:

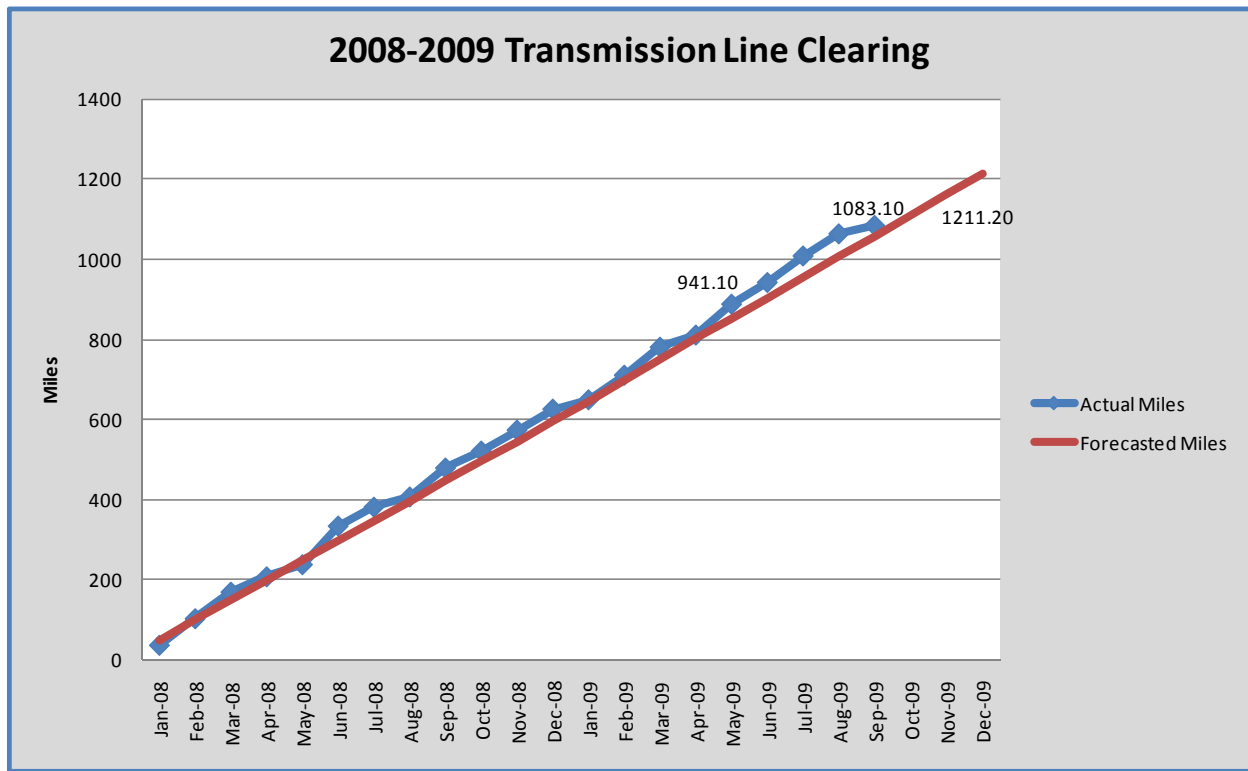
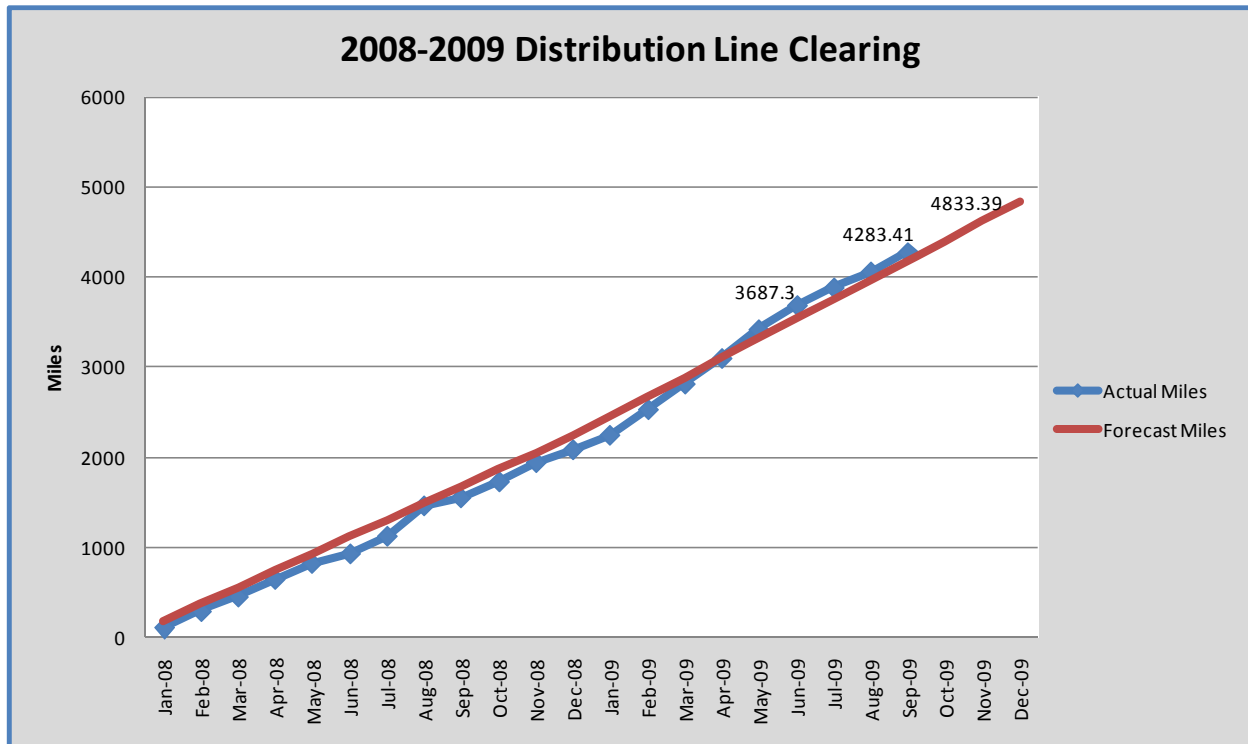
1. SCE&G’s progress through June 30, 2009.
2. SCE&G’s vegetation management plan.
3. Circuits that have been cleared.
4. Cost per circuit cleared.
5. Before and after pictures.
6. Before and after data of outages.
7. The Balance in the Storm Damage Reserve Fund as of June 30, 2009.
8. The amount withdrawn from the Storm Damage Reserve Fund relating to the Tree Trimming and Vegetation Management Program as of June 30, 2009.

In addition, the Commission required that SCE&G update all the information in the Mid-Year Report no later than December 1, 2009. In full compliance with the Order, SCE&G hereby submits this report as its update to the Company’s Mid-Year report filed on August 15, 2009. All of the information set forth below consists of actual data for the nine months ended September 30, 2009.

II. Progress through September 30, 2009

In an effort to improve reliability across SCE&G’s system and improve tolerance to weather related events such as ice storms, severe thunderstorms, tropical storms and hurricanes, SCE&G anticipates completing tree trimming and vegetation management activities along approximately 4,833 miles of distribution line and approximately 1,211 miles of transmission line over the two year period covering calendar years 2008 and 2009. As of September 30, 2009, the Company has completed approximately 4,283 miles or 89% of its planned tree trimming and vegetation management activities along its distribution lines. The Company has completed approximately 1,083 miles or 89% of its

planned tree trimming and vegetation management activities along its transmission lines. The graphs below show the Company's actual progress in miles versus its planned activities.



III. Vegetation Management Plan

SCE&G continues to maintain both a transmission and distribution vegetation management plan. In 2006, the North American Reliability Council (NERC) issued Reliability Standard FAC-003-1 requiring electric utilities to maintain a formal transmission vegetation management program. At the time the Company filed its Mid-Year Report it provided the Commission and the South Carolina Office of Regulatory Staff with a copy of SCE&G's formal transmission vegetation management program. As of September 30, 2009, the Company has not made any changes to this program.

With regard to its distribution vegetation management program ("DVMP") which is modeled after its formal transmission vegetation management program, the Company continues to include within the DVMP the following basic criteria:

- Circuit Reliability
- Last Trim Date of Circuit
- Critical Customers on Circuit – *i.e.*, hospitals, lift stations.
- Management Input/Condition of Circuit

More specifically, the Company (i) assigns each circuit a reliability index, (ii) identifies each circuit's most recent tree trimming and vegetation management cycle, (iii) identifies critical customers (*i.e.*, hospitals) using electric power on each circuit, and (iv) discusses vegetation management practices with the Company's local operating managers who are responsible for overseeing the management of each circuit. Each circuit is evaluated and prioritized according to the line clearing criteria stated above.

In order to implement its DVMP, the Company issues requests for proposals offering vegetation management contractors the opportunity to submit bids on the tree trimming/vegetation management activities that SCE&G seeks to perform. After evaluating the bids, SCE&G selects various contractors to perform the necessary tree trimming/vegetation management activities. The Company then assigns these contractors to specific geographical areas within each circuit and dispatches them to perform the necessary work. SCE&G assigns local operating personnel from the Company to monitor the activities of the contractors to ensure strict adherence to the DVMP. As work is performed under the DVMP, the management of SCE&G's electric operations reviews the program's results and expenses on a monthly basis.

Approximately one year after conducting the initial tree trimming and vegetation management on various circuits under the DVMP, SCE&G returns to the areas previously maintained and applies foliar herbicide which suppresses the sprouting of unwanted vegetation such as volunteer gum, oak, and pine while simultaneously promoting the growth of native grasses on the Company's rights-of-way. As of September 30, 2009, SCE&G has not made any changes to its DVMP.

IV. Circuits that Have Been Cleared and Cost per Circuit

Below are tables which contain updated information identifying the distribution and transmission circuits that SCE&G has cleared as of September 30, 2009. In addition, these tables show the total cost to clear the circuit and the cost per mile for each circuit. Note that these tables only include circuits that have been cleared in their entirety, whereas the graphs in section II of this report include all clearing activity, including circuits where clearing activities are still in progress.

A. Distribution

Columbia District

Circuit	Cost	Miles	Cost per Mile
Parr 11232	\$32,828	15.16	\$2,165.44
Uptown 52211	\$10,578	1.4	\$7,555.71
Uptown 52611	\$22,667	3	\$7,555.67
Calhoun Street 79112	\$16,622	2.2	\$7,555.45
V C Summer 25042	\$6,965	2.4	\$2,902.08
Minnie Wicker 8155	\$6,287	2.3	\$2,733.48
Parr 11132	\$139,960	38.4	\$3,644.79
Sandbar Road 300	\$11,269	1.5	\$7,512.67
Cole Trestle Sub 200	\$2,741	0.7	\$3,915.71
Victory Gardens 23311	\$76,635	8.5	\$9,015.88
Saluda Hydro 19112	\$140,866	21.4	\$6,582.52
Sandhill 74512	\$79,885	8.8	\$9,077.84
Belmont 82012	\$163,426	16.1	\$10,150.68
Belmont 84112	\$247,432	17.2	\$14,385.58
Sparkleberry 63102	\$3,897	0.7	\$5,567.14
Dentsville 89012	\$231,083	17.7	\$13,055.54
Five Points 24312	\$13,230	2.7	\$4,900.00
Calhoun Street 79212	\$20,580	4.2	\$4,900.00
Kilbourne Pk 72012	\$267,051	19.9	\$13,419.65
Kendrick 18422	\$202,680	15.2	\$13,334.21
Lexington Indust Pk 25212	\$90,097	12	\$7,508.08
Gilbert 26102	\$325,104	64.1	\$5,071.83
Congaree Vista 20522	\$23,680	4.4	\$5,381.82
Total Columbia District	\$2,135,563	279.96	\$7,628.10

Charleston District

Circuit	Cost	Miles	Cost per Mile
Maryville 93042	\$169,040	15.8	\$10,698.73
Riverland Terrace 11532	\$75,725	7.88	\$9,609.77
Riverland Terrace 11552	\$46,097	14.59	\$3,159.49
Accabee 05412	\$29,725	12.35	\$2,406.88
Accabee 05422	\$46,167	15.72	\$2,936.83
Shipyard 12,22,42,62	\$3,171	1.29	\$2,458.14
Osceola Park 90452	\$25,306	7.13	\$3,549.23
Accabee 05432	\$107,892	16.06	\$6,718.06
Accabee 90802	\$176,426	15.75	\$11,201.65
Adams Run 80112	\$567,619	94.1	\$6,032.08
Maryville 90112	\$7,211	1.03	\$7,000.97
Maryville 90122	\$16,087	4.62	\$3,482.03
Ashley Phosphate 90392	\$59,709	3.23	\$18,485.76
Bosch 90772	\$22,321	2.43	\$9,185.60
Isle Of Palms 95402	\$127,181	13.07	\$9,730.76
Isle Of Palms 95412	\$58,792	10.54	\$5,577.99
Mt Pleasant 90222	\$37,291	6.97	\$5,350.22
Mt Pleasant 90272	\$21,429	3.79	\$5,654.09
Bayfront 92302	\$101,046	9.86	\$10,248.07
Red House 80142	\$13,561	0.23	\$58,960.87
Osceola Park 95072	\$76,365	10.6	\$7,204.25
Osceola Park 90562	\$131,474	16.41	\$8,011.82
Osceola Park 90462	\$1,447	9.81	\$147.50
Stark 03372	\$5,076	0.61	\$8,321.31
Total Charleston District	\$1,926,158	293.87	\$6,554.46

Low Country District

Circuit	Cost	Miles	Cost per Mile
Swansea 14732	\$251,431	61.28	\$4,102.99
Wagener 73911	\$241,625	58.89	\$4,102.99
Holly Hill 20362	\$216,426	54	\$4,007.89
North 50022	\$51,164	12.47	\$4,102.97
Santee 48511	\$91,652	24.39	\$3,757.77
Summerville Central 70502	\$102,303	16.47	\$6,211.48
Old Fort 70062	\$32,445	4.4	\$7,373.86
Walterboro 02382	\$39,225	7.58	\$5,174.80
Total Low Country District	\$1,026,271	239.48	\$4,285.41

Southern District

Circuit	Cost	Miles	Cost per Mile
Shell Point 60402	\$103,951	13.82	\$7,521.78
Beaufort Indust Pk 60042	\$45,029	13.67	\$3,294.00
Hardeeville 2052	\$203,928	56.74	\$3,594.08
Bluffton 60942	\$17,864	3.5	\$5,104.00
Ridgeland 60282	\$353,720	105.13	\$3,364.60
Gardens Corner 60712	\$582,584	121.64	\$4,789.41
Fairfax Central 40112	\$47,299	15.64	\$3,024.23
Fairfax Central 40232	\$43,265	9.37	\$4,617.40
Ridgeland 60162	\$326,146	95.4	\$3,418.72
Shell Point 60302	\$85,335	14.03	\$6,082.32
Ulmers 50002	\$112,081	43.69	\$2,565.37
Total Southern District	\$1,921,202	492.63	\$3,899.89

Western District

Circuit	Cost	Miles	Cost per Mile
Kempsons Bridge 10042	\$24,087	5.91	\$4,075.63
Lake Murray Estates 0514	\$10,800	2.72	\$3,970.59
Silver Bluff 30302	\$202,320	45.79	\$4,418.43
Troy 01772	\$100,216	24.31	\$4,122.42
Willington 01782	\$89,813	37.55	\$2,391.82
Batesburg 62311	\$40,526	7.27	\$5,574.42
South Side 35162	\$19,051	2.18	\$8,738.99
Calhoun Falls 11732	\$47,026	14.23	\$3,304.71
Calhoun Falls 11752	\$55,561	15.63	\$3,554.77
Hampton Ave 18032	\$84,374	10.04	\$8,403.78
Modoc 01702	\$212,276	73.79	\$2,876.76
South Side 35032	\$76,233	8.39	\$9,086.17
Raborn Pointe 35112	\$89,887	15.95	\$5,635.55
Saluda County 19132	\$192,013	45.5	\$4,220.07
Total Western District	\$1,244,183	309.26	\$4,023.10

B. Transmission

Circuit	Cost	Miles	Cost Per Mile
Lyles - Richtex	\$11,684	3.07	\$3,806
Burton Trans-Parris Island	\$117,330	8.25	\$14,222
Urquhart-Jackson	\$61,545	15.53	\$3,963
Dunbar Rd.-Orangeburg-Tee Pak	\$21,749	7.89	\$2,757
Graniteville-Belvedere Sw Sta #1	\$23,400	10.31	\$2,270
Graniteville-Belvedere Sw Sta #2	\$33,508	21.04	\$1,593
Lyles-Denny Terrace 115kV Line #1	\$9,263	2.62	\$3,535
Lyles-Denny Terrace 115kV Line #2	\$8,892	2.50	\$3,557
Urquhart-Georgia #1 Tie	\$650	0.10	\$6,500
Urquhart-Georgia #2 Tie	\$650	0.10	\$6,500
Wateree-Lyles	\$42,570	8.67	\$4,910
Lyles-Denny Terrace 230kV	\$11,179	2.59	\$4,316
Hanahan Trans-Charleston Trans	\$97,413	10.08	\$9,664
Orangeburg-Cameron 46kV	\$56,057	24.43	\$2,295
Barnwell Trans-Denmark Trans	\$65,828	19.10	\$3,446
Wateree-Columbia Ind Pk 230kV	\$84,628	24.36	\$3,474
Wateree-Edenwood 230kV	\$33,275	9.42	\$3,532
Williams St-Cola Hydro	\$4,465	0.31	\$14,403
Williams St-Park St #2	\$7,630	0.89	\$8,573
Lyles-Williams St #1	\$3,393	2.16	\$1,571
Lyles-Williams St #2	\$3,393	2.35	\$1,444
Williams St-Coit #1	\$9,776	1.80	\$5,431
Coit-Rosewood #1	\$19,119	7.33	\$2,608
Williams St-Coit #2	\$7,420	1.80	\$4,122
Coit-Rosewood #2	\$5,710	2.23	\$2,561
Coit-West Columbia	\$3,869	3.64	\$1,063
Edenwood-Coit 115kv Line #1	\$1,340	1.81	\$740
Edenwood-Coit 115kv Line #2	\$1,340	1.82	\$736
Lyles-Williams St.115kV Line	\$13,862	1.65	\$8,401
Mt. Pleasant-Wando	\$5,993	3.08	\$1,946
Church Creek-Faber Place 230	\$18,548	0.50	\$37,096
Yemassee-Burton 230kV	\$68,333	30.74	\$2,223
Orangeburg-St.George	\$61,077	25.56	\$2,390
Orangeburg-St.George #2 Line	\$65,604	25.17	\$2,606
McMeekin-Saluda Hydro 115kv	\$414	0.12	\$3,450
Mt. Pleasant-Bayview 115kv	\$26,907	3.76	\$7,156
Mt. Pleasant-Charlotte St.	\$11,354	8.16	\$1,391
Total	\$1,019,168	294.94	\$3,456

V. Before and After Pictures

Below are photographs of portions of circuits that have been cleared. Like the photographs included within the Mid-Year Report, these photographs show the positive results of SCE&G's tree trimming and vegetation management activities.

Southern District Hampton ckt 18032

Before



After



Southern District Garden's Corner ckt 60712

Before



After



Columbia District Kendrick ckt 18422

Before



After



Low Country District Walterboro ckt 02372

Before



After



Charleston District
Mt. Pleasant ckt 90272

Before



After



Charleston District
Wando ckt 95122

Before



After



Church Creek – Faber Place 230/115

Before



After



Church Creek – Faber Place 230/115

Before



After



Church Creek – Faber Place 230/115

Before



After



McMeekin – Coit 115 & Saluda Hydro – Williams St. 115

Before



After



McMeekin – Coit 115 & Saluda – Williams 115

Before



After

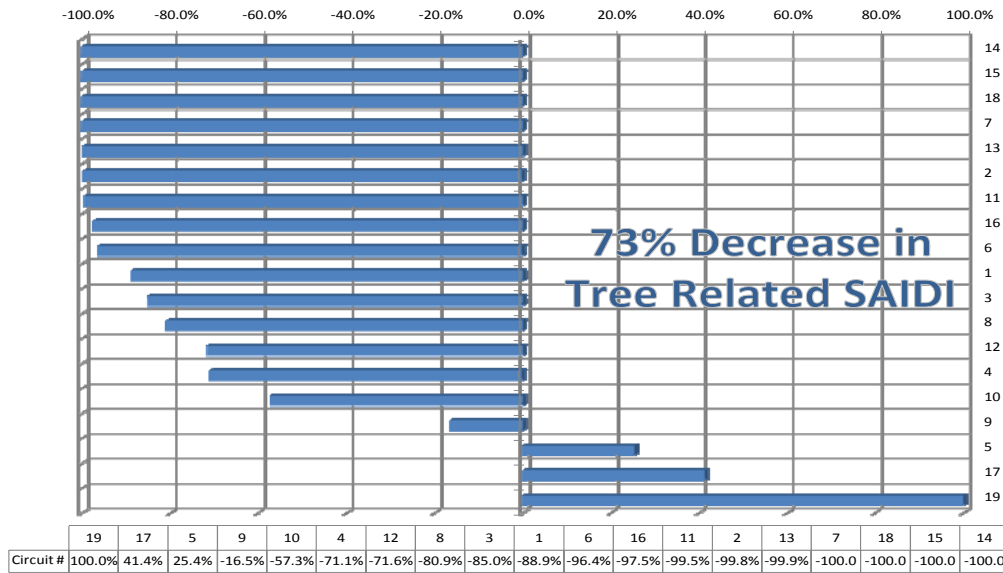


VI. Before and After Data of Outages

SCE&G uses the System Average Interruption Duration Index (“SAIDI”) to measure its frequency and duration of outages. The tables below depict all tree related SAIDI for the six months ended September 2008 versus the six months ended September 2009 for circuits cleared to the distribution vegetation management program specifications during the period October 1, 2008 through March 31, 2009.

Circuit #	District	Substation	2008 SAIDI	2009 SAIDI	% Difference
14	Sou	Shell Point	259.28	0	-100.0%
15	Sou	Bluffton	175.45	0	-100.0%
18	West	Kempsons Bridge	67.74	0	-100.0%
7	Cola	Uptown	0.49	0	-100.0%
13	Sou	Fairfax Central	242.25	0.28	-99.9%
2	Chas	Riverland Terrace 4 Kv	233.12	0.46	-99.8%
11	LowC	Swansea	79.67	0.42	-99.5%
16	Sou	Beaufort Industrial Park	20.81	0.53	-97.5%
6	Cola	Uptown	56.25	2.02	-96.4%
1	Chas	Edisto Island	5.74	0.64	-88.9%
3	Chas	Accabee 23 Kv - RS	5.55	0.83	-85.0%
8	Cola	Dentsville115/23Kv	265.94	50.81	-80.9%
12	Sou	Beaufort Central	149.58	42.48	-71.6%
4	Chas	Accabee 23 Kv - RS	2.63	0.76	-71.1%
10	LowC	Holly Hill	152.64	65.23	-57.3%
9	LowC	Walt:Forest Hills	33.16	27.68	-16.5%
5	Cola	Belmont - RA	168.48	211.2	25.4%
17	West	Aiken South Side	5.02	7.1	41.4%
19	West	Lake Murray Est Stepdown	0	108	100.0%

**2008 vs. 2009 SAIDI
(Tree Related Events)**



VII. Storm Damage Reserve Fund Balance at September 30, 2009

As of September 30, 2009, the balance in SCE&G's storm damage reserve fund was \$50,670,488.

VIII. Amount Withdrawn From Storm Damage Reserve Fund for Tree Trimming and Vegetation Management as of September 30, 2009

Through September 30, 2009, SCE&G had withdrawn \$1,953,239 related to its tree trimming and vegetation management program from its storm damage reserve fund. SCE&G expects to withdraw an additional \$7,046,761 by December 31, 2009.

IX. Conclusion

Vegetation management is one of the many critical components required to ensure that SCE&G provides safe and reliable electric service to its customers. As demonstrated above, SCE&G's vegetation management plan is contributing to the improved reliability of the Company's system and increasing the system's tolerance to weather related events which is beneficial to SCE&G and its customers.